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FISCAL IMPACT STATEMENT

LS 6666

BILL NUMBER: HB 1367

NOTE PREPARED: Feb 14, 2011

BILL AMENDED: Feb 14, 2011

SUBJECT: Metropolitan Planning Organizations.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

Eligibility Requirements for MPO Executive Board: It establishes eligibility requirements for election to the policy board (board) of a Metropolitan Planning Organization (MPO).

MPO Executive Board Duties: It requires a board to: (1) develop and publish an annual completion report; (2) develop a participation plan; (3) develop an annual listing of obligated projects; and (4) biennially review and update its written operating agreement.

Policy Board Review Panel: It establishes the Policy Board Review Panel, and it requires a policy board to submit an annual progress report to the Panel for review and recommendation to the Governor.

Noncompliance: It authorizes the Governor, upon a finding of noncompliance by the Panel, to impose certain penalties.

Northwest Indiana Regional Planning Commission: It requires the Northwest Indiana Regional Planning Commission (NIRPC) to amend its bylaws. It also repeals the following provisions concerning NIRPC:

- (1) Appointment of members.
- (2) Qualifications for membership.
- (3) Election of NIRPC officers.
- (4) Meetings.
- (5) Voting.
- (6) Election of executive board.

- (7) Appointment of executive director.
- (8) Petition by county to block program.
- (9) Appointment of advisory committees.

Effective Date: July 1, 2011.

Explanation of State Expenditures: (Revised) *Policy Board Review Panel:* The five-member Policy Board Review Panel would serve without salary, but may be reimbursed for other expenses incurred in connection with the member's duties. The expenses do not include travel expenses and must be within the policies established by the Department of Administration and the State Budget Agency, making any increase in expenses very minimal.

(Revised) *Background:* The Panel consists of: (1) the INDOT Commissioner or a designee, (2) the INDOT director of LPA/MPO and Grants Administration, (3) two members elected from the membership of the Indiana Metropolitan Planning Organization Council, and (4) the Governor's appointee. (The member appointed by the Governor may only vote in the event of a tie.)

The Panel will establish a list of emphasis areas by December 1 of each year. It will receive a listing of obligated projects, and by September 1 of each year, it will receive an annual completion report from the MPOs. The Panel will review the annual completion report and submit findings to the policy board and the Governor by November 15 of the year of the report.

Explanation of State Revenues:

Explanation of Local Expenditures: *Northwest Indiana Regional Planning Commission (NIRPC):* The bill could minimally increase reporting costs for the Northwest Indiana Regional Planning Commission. Also, NIRPC will incur one-time costs for review of bylaws and potentially incur costs for governance restructuring.

Additional Information -

(Revised) *Requirements for MPOs:* MPOs will have to meet the following state requirements:

Governance Structure: The bill requires an MPO to elect an 18-member policy board from among its members and requires the members to have professional experience in engineering, transportation planning, economic development, public financial management, or transportation project management. [An executive, including a member of the board of commissioners (outside of Marion County), a mayor, the president of a town council, a township trustee, a school corporation superintendent, or a chief executive officer of any other political subdivision is considered to meet the professional expertise requirements. Further, the board size requirement will not apply to Marion County.] The policy board will be the decision-making body of the MPO, and all other members will be the general board.

Reporting: The policy board will be required to publish by July 1 of each year, beginning in 2012, a statement of work including major work areas and categories, a comprehensive budget, planning projects, and a list of planning projects. By September 1 of each year, beginning in 2012, the policy board will publish on its website and submit to the Panel, an annual completion report containing information for the preceding

state fiscal year.

Agreements: By October 1 of each odd-numbered year, the policy board, in coordination with INDOT and affected transit operators, will review and update written agreements concerning carrying out the metropolitan transportation planning process.

Existing MPOs: The 14 MPOs in Indiana are designated by agreement between the Governor and units of general purpose government that represent 75% of each urban area with a population of more than 50,000. Federal law indicates the members of the MPO consist of locally elected officials, officials of public agencies that administer or operate major modes of transportation in the area, and the appropriate state officials. The following list indicates the MPO, its major city, and the area covered in square miles.

Metropolitan Planning Organization	Major City	Area
Area Plan Commission of Tippecanoe County	Lafayette	502
Bloomington/Monroe County Metropolitan Planning Organization	Bloomington	79
Cincinnati-Northern Kentucky	Cincinnati	2,619
Columbus Area MPO	Columbus	468
Delaware-Muncie Metropolitan Plan Commission	Muncie	212
Evansville	Evansville	1,094
Indianapolis	Indianapolis	1,337
Kokomo & Howard County Governmental Coordinating Council	Kokomo	110
Louisville Area	Louisville	1,419
Madison County	Anderson	507
Michiana Area	South Bend	927
Northeastern Indiana Regional Coordinating Council	Ft. Wayne	370
Northwestern Indiana Regional Planning Commission	Portage	1,523
West Central Indiana Economic Development District	Terre Haute	410

NIRPC: NIRPC institutes and maintains a comprehensive plan and program for transportation, economic development, and environment in Lake, LaPorte, and Porter County. NIRPC is also designated the MPO for this metropolitan area. Action is authorized by a majority vote or by a weighted affirmative vote of more than 50% under certain circumstances.

The officials of counties, cities and towns, and townships appoint the members, and all members must be elected officials. The officials serve without salary, but may be reimbursed for expenses. The members elect a seven-member executive board, and by recommendation of the executive board, NIRPC appoints an executive director. According to audited financial statements of NIRPC for 2009, there were 53 members of NIRPC.

Each participating county pays a pro rata per capita share of the annual appropriations budget that may not exceed \$0.70 per capita. A county may pay its share by levying a property tax or from any other local revenue, including local option income tax, excise tax, riverboat admissions, wagering, or incentive tax, or any funds received from the state for this purpose.

Explanation of Local Revenues: (Revised) *Noncompliance:* The Governor would be able to withhold up to 100% of the funds in state custody available to an MPO, or a county or unit that is a member of the MPO, for noncompliance with the provisions of state statute concerning MPOs. These funds include funds in the custody of INDOT or other state agency.

State Agencies Affected: Governor.

Local Agencies Affected: NIRPC

Information Sources: State Board of Accounts, *2009 Annual Financial Report, Northwestern Indiana Regional Planning Commission*; Federal Highway Administration, Metropolitan Planning Organization Database.

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